

APPENDIX W

CHAIRMAN PHILLIPS' REPORT BOARD OF GOVERNORS MEETING AUGUST 11, 2006

As I said last month, it is an exciting and challenging time at the University of North Carolina. That is, in part, because of the number of very important policy issues facing this board and this University.

- Next month we will consider the President's recommendations related to the establishment of a tuition policy.
- We still have work to do to insure that North Carolina's demand for good teachers and nurses is met.
- We must continue to define our role in the State's economic development efforts.
- We are compelled, not only by principals of good management, but also by the times we live in, to continue to achieve greater efficiencies within the University, so that more of our monies can go to our core functions.
- We must keep a steady hand and a watchful eye on our bond program. For while many of us feel like it is coming to a close, there remains hundreds of millions of dollars worth of work to be done.

In addition to those important matters I want to take just a few minutes to discuss 3 additional issues which I hope that we, as a board, will focus significant time and attention upon (as well as our collective judgment and wisdom) in the coming year.

The first one, which I have spoken with each of you about individually, and which we kicked off yesterday, is a study of what the people of North Carolina need from the People's University over the next 20 years and how we meet those needs.

Again, this is not a study to determine how many research or baccalaureate institutions we need. It is not about Carnegie classification in any way. Those are abstract concepts which have no bearing on the real challenges faced by the real people that we are sworn to serve.

Rather, this is about

- How we continue to provide a first class education to the ever growing number of North Carolinians.
- It is about the opportunities to create knowledge jobs which exist in the various regions of North Carolina and how we play a role in seizing those opportunities.
- It is about what programs we need and how we best provide them.

Fundamentally--and this is the nut of it--this study is about setting out an agenda, establishing priorities and then making those items the focus of our budget requests and our programming decisions. And make no mistake about it, this is our job, as assigned by the General Assembly when this board was created.

But this board cannot perform this task successfully alone. The campuses, their chancellors and provosts must be our partners and play a significant role. Brenda Killingsworth and her colleagues in the faculty must play a role at every step along the way. If they do not, we cannot succeed.

Make no mistake, even with that team at work, this will not be an easy task. In part, because there is no set answer. And believe me, no easy task to get a lawyer to ask a question he doesn't know answer to. But if we do it right, and put the people of North Carolina first in our considerations, I believe that the work we are beginning will rank with the higher education bond when the accomplishments of this board are considered.

We began this task yesterday by discussing what we should try to accomplish. And let me assure you that this kind of open discussion will be commonplace as we continue this process. This will not be a study that we commission and then we get a book back with results months later. This will be molded and shaped by you with the assistance of Erskine, Harold Martin and his staff, the campuses and our faculty partners.

So I ask and urge you to engage on this.

- Think about it.
- Brainstorm with your colleagues.
- Ask questions and float ideas.
- Put aside your geographical & alumni ties and focus on the people of North Carolina and how this University best serves them.

If you do that, then I believe that when your service on this board comes to a close, you will look back with pride and say that you made a real difference in the future of North Carolina and the lives of its people.

The second issue that I would like for us to focus on is the quality and preparedness of the trustees at our 16 constituent institutions.

They are a critical part of our team and they can and do make a difference in the lives of the University they serve.

We have many, many outstanding people in those positions now. But this year, many of their terms on those boards will end and the Committee on University Governance is charged with reconsidering a slate of new trustees.

I would ask that all of us play a role in identifying and recruiting the very best candidates for those positions--people who have the energy, work ethic, interest and ability to improve our 16 universities. Each of you know or knows of many people who fit that bill and I ask that you communicate with John Davis, his committee and Bart about who those people are and how we can make sure that they are part of our team.

The final issue is one that we have discussed many times at these meetings but it is time for us to move past discussion and achieve results. I speak about the graduation and retention rates on our campuses.

We have done a great job of improving the college going rate in North Carolina and that is a good start. But it is not enough. As Dudley Flood noted yesterday, 3 days on the campus won't get you a good job these days.

Several months ago, the Committee on Educational Planning, Policies, and Programs charged the President and his staff with developing a plan of action that would show results on this issue. And I know that Erskine, Harold Martin and Alan Mabe have been working hard to do that, contemplating a plan that will set goals and require accountability.

It is not enough for us to start the job of educating North Carolinians to compete in a global environment, we must make sure we finish it. So I hope that in the coming months we will receive the recommendations of our team, discuss and approve them and begin to see a real improvement in this critical measurement of our success.

In closing let me say, I know that we have a lot to do. But there is no doubt in my mind that we are up to the task.